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**NEAR EAST/AFRICA DIVISION**

**INTELLIGENCE SUMMARY**

**Vol. IV No. 44**

**For Week Ending  
8 November 1949**

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## NEAR EAST/AFRICA INTELLIGENCE SUMMARY

### TURKEY

Devaluation still postponed: Devaluation of the Turkish lira may not take place for some months. Apart from the government's reluctance to decide upon so unpopular a move, the Turks may be able to hold out for some time, taking advantage of the present situation to effect some foreign debt reduction at devalued exchange rates, thus providing economies for as long a period as devaluation of the lira remains postponed. There is a further advantage in postponement: if the Turks can manage to wait until after sales from the 1949 tobacco crop have been made to US buyers, their holdings of precious dollar exchange will be somewhat greater than if devaluation were to precede the sales. (There is no indication yet that US tobacco buyers may hold off entering the tobacco market in anticipation of a Turkish decision to devalue.)

The principal test of the Turkish Government's ability to keep on deferring the decision to devalue will be the volume of Turkey's export trade. If the national economy is not to collapse, Turkey must export. Exports to the sterling area are of great importance. Only if Turkey can maintain an acceptable volume of such exports despite the great increase in Turkish prices in terms of devalued sterling currencies, can devaluation of the lira be put off indefinitely.

### SYRIA

Pre-election maneuvers: Preparations for Syria's parliamentary elections, which are now scheduled for 15 November, have become increasingly complicated by the intrigue in which various political and military groups have been engaging. The Nationalists, who dominated the old, pre-Zaim parliament, are apparently determined to forego the elections entirely so as to strengthen later attacks on the validity of the results and on the new regime. They have persistently refused to participate despite the additional time for the announcement of candidates which the government has provided and despite the attempts at last-minute compromise which the Populists, who hold the principal posts in the present interim cabinet, are now making. Meanwhile, one of the various army cliques, disturbed lest the Populists curb army influence in the government, has reportedly asked former Prime Minister Jamil Mardam (now in Egypt) to re-enter the political arena against

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them--a step which might presage another resort to the technique of the coup d'etat. Under the circumstances, the date of the balloting, already postponed from 5 November, may be put off again in the probably vain hope that the political broth might then simmer down.

#### EGYPT

Farouk steps in: With the fall of Prime Minister Sirry's coalition cabinet on 3 November, Egypt's three leading political parties have lost their chance to exert any major control over the coming elections. Following the inclusion of the majority Wafd Party in the government last July for the first time since the war, the parties have demonstrated increasing unwillingness to compromise with one another on the arrangements for the forthcoming parliamentary elections. The Wafdists are reluctant because of their confidence that they would gain a resounding victory if there were an open contest in all districts; the Saadists and Liberal-Constitutionalists wish to hold back because of their secret fears that they would suffer a substantial defeat at the polls and a considerable loss in political influence unless certain districts were reserved for them alone. Meanwhile, King Farouk, despite his sponsorship of the multi-party coalition last July and his support for the new cabinet on several critical occasions, had apparently become increasingly disturbed by the difficulty the parties were having in reaching a compromise agreement and by the fear that a clear Wafd victory might take place, thus diminishing royal prestige and influence. The recent Wafdist demand that the election lists be revised apparently shook the Sirry Cabinet sufficiently to give the King his chance. He promptly appointed a completely non-partisan cabinet, again under Sirry, and is now in a position to exercise his control over the elections without major party interference. He will now find it easier to maintain his dominant position in Egypt's affairs by setting up the elections so as to strengthen the minority parties and prevent a Wafd landslide.

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# IRAN

Hajir's assassination: The recent assassination of Minister of Court Hajir, right-hand man of the Shah, appears to have been inspired by certain political and religious leaders hostile to the present regime. The assailant, Sayyid Hosein Emami, has been indentified as a follower of Abol Qasem Kashani, influential religious leader who was arrested after the attempt on the Shah's life last February and subsequently allowed to leave the country. Kashnai's name figures among those receiving the highest number of votes in the Tehran elections for the Senate, and he is classed with the political opposition. Kashani and certain other religious leaders, eager to restore the former prestige and influence of the orthodox faith, are determined to obtain strong representation in the new Parliament and have displayed bitter hostility toward alleged government interference with the elections. Emami, in his confession, implicated certain other opposition candidates, and some eleven have been arrested.

## NOTED IN BRIEF

The Turks may get 50,000 tons of Syrian wheat, according to a statement by the Syrian Finance Minister, under an agreement which should be satisfactory to the Turks. It appears that Turkey will not be required to settle in sterling but in Turkish bank credits for the purchase of Turkish goods.

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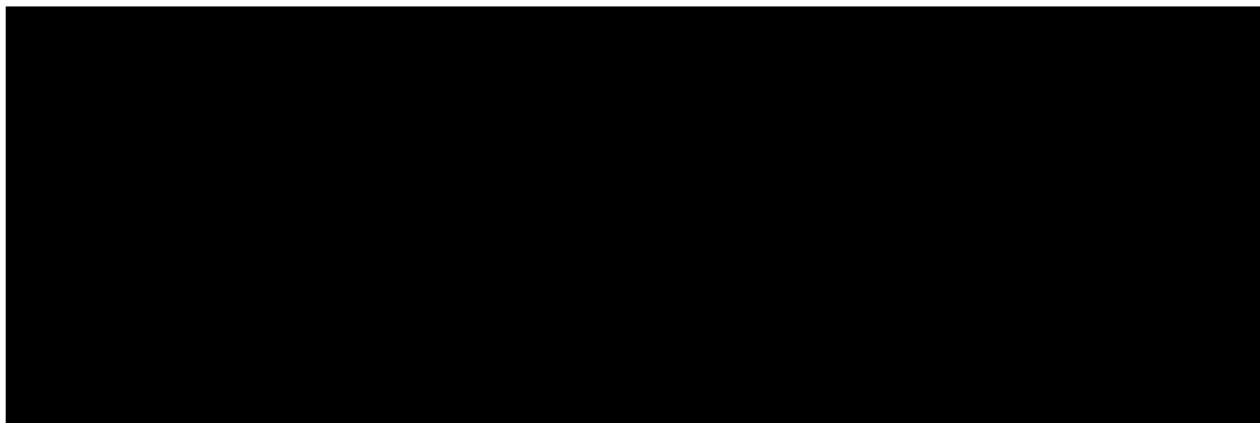
The Turkish Democratic Party, principal opposition group, has finally outlined its own version of what the new electoral law should be. The Democrats are likely to struggle to the bitter end for their main contention-- that the conduct of elections be supervised by the judiciary.

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The retirement of a number of Turkish officers from the armed forces, which has been expected since the appointment of General Gurman as Chief of the General Staff, is now taking place. With the consequent promotion of younger officers to higher posts, there is good promise of improvement in leadership of the Turkish military establishment.

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With UNCIP expected to complete by 15 November what will probably be its final report to the Security Council, [redacted] attempting to rally US support for the principle of arbitration in Kashmir, to which it feels the US [redacted] are firmly committed. [redacted] India will attempt to substitute partition for a plebiscite when the Security Council takes up the Kashmir question, have indicated their belief that India's objections to the present arbitration proposals can be met without involving the surrender to Indian pressure which abandonment of the arbitration principle would, in Pakistani eyes, represent.

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India has apparently recognized at last the need for a more practical approach to the vital problem of achieving economic stability. Recently

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the government drastically curtailed its grandiose plans for the development of multi-purpose power and irrigation projects in order to concentrate on a few urgent projects and has liberalized its attitude toward foreign capital investment. By following its present plans for improving food production in certain critical areas through its own strenuous efforts, allowing foreign concerns to supply the other consumers' goods required by the Indian people, the GOI may be able to lessen the economic and political unrest which at present seems to be growing in the country.

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Although the Communist-dominated All India Trade Union Congress has announced that an All India Peace Conference, sponsored by various Communist front organizations, would be held in Calcutta 24-27 November, the conference may not take place as planned. Inasmuch as the West Bengal Government has banned the Communist Party, permission for such a gathering of fellow-travellers in Calcutta may not be forthcoming. Moreover, there is a possibility that the Indian Government may decide to ban the meeting entirely or that Paul Robeson, who has been asked to preside, may not receive official permission to make the trip. Others invited to attend include Mme. Sun Yat-Sen, Louis Saillant of the WFTU, and Mme. Joliet-Curie of the World Congress of Defenders of Peace.

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Pakistan's reported designation of an Ambassador to the USSR evidently represents a reluctant yielding to pressure from the Soviets, who have been attempting to obtain the appointment of a Pakistani envoy to Moscow before Prime Minister Liaquat Ali Khan makes his long-scheduled visit to the Soviet capital. By refusing to announce the date of the visit (scheduled for some time in November) and by recalling four top-ranking members of a Soviet trade delegation in Pakistan on the eve of completion of a Soviet-Pakistani trade agreement, Moscow has shown that it can use both political and economic means to obtain its ends. Liaquat Ali Khan must go through with his much-touted visit to save his face, and Pakistan must have Soviet goods to bolster its economy, which is suffering from the trade war with India.

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Completion of the St. Paul River Bridge in Liberia, connecting the Western Province with the port of Monrovia, marks the first major step in

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construction of the railroad to the Bomi Hills iron deposits, which are expected to provide a supplementary source of iron ore for the US upon completion of the railroad.

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Southern Rhodesia has decided to abandon its wartime planned economy in favor of a return to free competition, as the politically most feasible way of adjusting to devaluation of the pound sterling. Increased exports to the US of strategic chrome and asbestos could partially compensate for the higher import costs which have resulted from devaluation, but such increase will be restricted by limited port and railway capacity.